

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

ID #13755
RESOLUTION G-3501
March 26, 2015

R E S O L U T I O N

Resolution G-3501. Southern California Gas Company (SoCalGas) requests an increase to the charges for appliance connections services in revisions to its Rule 10 – Service Charges.

PROPOSED OUTCOME:

- Approves SoCalGas' request to increase the charges for appliance connections services.

SAFETY CONSIDERATIONS:

- It is the utility's responsibility to adhere to all Commission rules, decisions, General Orders, and statutes including Public Utility Code Section 451 to take all actions "...necessary to promote the safety, health, comfort, and convenience of its patrons, employees and the public."

ESTIMATED COST:

- Cost is paid by customers requesting appliance connection services; as a result, there is no cost impact on ratepayers.

By Advice Letter 4689 filed September 10, 2014 and Supplemental Advice Letter 4689-A filed December 5, 2014.

SUMMARY

This Resolution approves SoCalGas' request to increase its Appliance Connection Charge in Rule 10 proposed in Advice Letter (AL) 4689 and Supplemental Advice Letter 4689-A as summarized below. Charges are directly billed only to customers who request such services.

Parts and Service	Current Rate	Proposed Rate	Proposed Increase
Labor Charge for Connection of Residential Gas Appliance (such as range, dryer or gas barbeque)	\$86.00	\$88.00	\$2.00
Added Cost of Valve	\$16.00	\$20.00	\$4.00
Added Cost of Connector	\$19.00	\$20.00	\$1.00

BACKGROUND

Resolution G-2972, dated November 20, 1991, approved SoCalGas' request to charge a fee for connecting its customers' gas appliances. Customers who request such services are billed directly from SoCalGas. Customers have the option to obtain this service from non-utility providers such as plumbers and contractors.

Resolution G-2972 (which addressed appliance connections and set-timed appointments) provided that SoCalGas "...may seek rate relief if these rates are not compensatory over time" and that SoCalGas may request rate relief for these services by an advice letter. SoCalGas submitted AL 4689 as a Tier 3 advice letter under GO 96-B, Energy Industry Rule 5.3.

By AL 4689 filed September 10, 2014, SoCalGas initially proposed to increase the charges for eight parts and services associated with appliance connections. On December 5, 2014, SoCalGas filed Supplemental AL 4689-A replacing in its entirety AL 4689. In Supplemental AL 4689-A, SoCalGas states that after further review, only three parts and services warranted increases in charges.

SoCalGas claims that these charges reflect the actual cost of providing these services in order to prevent ratepayers from subsidizing appliance connection services. According to SoCalGas, the proposed increases in these charges are needed to reflect increases in labor, gasoline, administrative costs, modifications of manufacturers' standards, and technology advances. The charges for appliance connections were last changed by SoCalGas Advice Letter 3995, approved by Commission Resolution G-4338 on January 21, 2010.

NOTICE

Notice of AL 4689 and Supplemental AL 4689-A was made by publication in the Commission's Daily Calendar. SoCalGas states that a copy of the Advice Letter and the Supplemental Advice Letter was mailed and distributed in accordance with Section 3.14 of General Order 96-B.

PROTESTS

Advice Letter 4689 and Supplemental Advice Letter 4689-A were not protested.

DISCUSSION

SoCalGas' proposed increases in appliance connection charges are necessary to reflect cost increases due to inflation of its Appliance Connection Program costs which includes appliances and parts installations brought on by modifications of manufacturer's standards, technology advances, and greater customer needs. SoCalGas' charges reflect its costs for the appliance connection services. SoCalGas workpapers and invoices provided with the Advice Letter and Supplemental Advice Letter verify the need for the proposed increases. SoCalGas has not increased these fees since 2010. SoCalGas' request to increase appliance connection fees and charge fees for specific pieces of appliance connection equipment is approved.

SoCalGas is not the sole provider of the appliance connection services for which the increases in charges are requested in this advice letter. Customers can obtain these services from other providers as well. Appliance connections are services which customers can obtain from other competitive sources, if they so desire. SoCalGas is not the monopoly provider of these services. The current and proposed tariffs state that "The Utility shall advise the customer that appliance services are also provided by plumbers and contractors."

General Order (GO) 96-B does not allow utilities to seek approval for rate increases by advice letter except when that method has been specifically authorized by the Commission or statute. Resolution G-2972, which initially approved the fees for certain appliance connection services and set-timed appointments, authorized SoCalGas to seek subsequent rate changes related to these services by advice letter.

The table below shows current and proposed rates for Appliance Connection:

Parts and Service	Current Rate	Proposed Rate
Labor Charge for Connection of Residential Gas Appliance	\$86.00	\$88.00
Added Cost of Valve	\$16.00	\$20.00
Added Cost of Connector	\$19.00	\$20.00

In addition, the applicable Retail Sales Tax will be applied to all parts costs.

COMMENTS

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to PU Code 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

FINDINGS

1. SoCalGas AL 4689 requested increases in charges for eight parts and services associated with gas appliance connection services.
2. SoCalGas filed Supplemental AL 4689-A replacing AL 4689 in its entirety.
3. Supplemental AL 4689-A requests increases in the Labor Charge for connection of a residential appliance, cost of valve and cost of connector, reducing SoCalGas' original request from eight to three charge increases.
4. The charges for these appliance services were last changed by Commission Resolution G-4338 on January 21, 2010.
5. SoCalGas' proposed increases for these charges will compensate for increases in labor, gasoline, administrative costs, modifications of manufacturers' standards and technology advances.

6. SoCalGas' proposed fees for appliance connection services and pieces of equipment needed for appliance connections reflect actual costs and are reasonable.
7. General Order 96-B does not allow utilities to seek approval for rate increases by advice letter except when authorized by Commission order or statute.
8. Resolution G-2972 authorized SoCalGas to seek approval for increases in appliance connection fees and set-timed appointment by advice letter.

THEREFORE IT IS ORDERED THAT:

1. Southern California Gas Company's proposals to increase the fees for appliance connection services and new charges for pieces of equipment needed in providing such services are approved as follows:

Parts and Service	Current Rate	Proposed Rate
Labor Charge for Connection of Residential Gas Appliance	\$86.00	\$88.00
Added Cost of Valve	\$16.00	\$20.00
Added Cost of Connector	\$19.00	\$20.00

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on March 26, 2015; the following Commissioners voting favorably thereon:

TIMOTHY J. SULLIVAN
Executive Director